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|---|--|---|--|---|--|---|--|
| AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT | | | | 1. CONTRACT ID CODE <div style="text-align: center;">J</div> | | PAGE OF PAGES <div style="text-align: center;">1 1</div> | |
| 2. AMENDMENT/MODIFICATION NO. <div style="text-align: center;">0004</div> | | 3. EFFECTIVE DATE <div style="text-align: center;">03-Jun-2005</div> | | 4. REQUISITION/PURCHASE REQ. NO. <div style="text-align: center;">W81W3G-0A76-0002</div> | | 5. PROJECT NO.(If applicable) | |
| 6. ISSUED BY USAED - BALTIMORE 10 SOUTH HOWARD STREET BALTIMORE MD 21201 | | CODE <div style="text-align: center;">W912DR</div> | | 7. ADMINISTERED BY (If other than item 6) <div style="text-align: center; font-weight: bold;">See Item 6</div> | | | |
| 8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) | | | | <input checked="" type="checkbox"/> 9A. AMENDMENT OF SOLICITATION NO. W912DR-05-R-0002 | | | |
| | | | | <input checked="" type="checkbox"/> 9B. DATED (SEE ITEM 11) 31-Mar-2005 | | | |
| | | | | 10A. MOD. OF CONTRACT/ORDER NO. | | | |
| | | | | 10B. DATED (SEE ITEM 13) | | | |
| CODE | | FACILITY CODE | | | | | |
| 11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS | | | | | | | |
| <input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input checked="" type="checkbox"/> is not extended. Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified. | | | | | | | |
| 12. ACCOUNTING AND APPROPRIATION DATA (If required) | | | | | | | |
| 13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14. | | | | | | | |
| A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. | | | | | | | |
| B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B). | | | | | | | |
| C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: | | | | | | | |
| D. OTHER (Specify type of modification and authority) | | | | | | | |
| E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office. | | | | | | | |
| 14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) The solicitation for the Public-Private Competition of the US Army Corps of Engineers Directorate of Public Works functions is amended to (1) provide the slides from the Pre-Proposal Conference at Vicksburg, MS on 19 April 2005 and Hanover, NH on 21 April 2005; (2) add the list of attendees at both Pre-Proposal Conferences; (3) add the transcripts from the Pre-Proposal Conference at Vicksburg, MS on 19 April 2005; and (4) add the transcripts from the Pre-Proposal Conference at Hanover, NH on 21 April 2005. | | | | | | | |
| Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect. | | | | | | | |
| 15A. NAME AND TITLE OF SIGNER (Type or print) | | | | 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) | | | |
| | | | | TEL: _____ EMAIL: _____ | | | |
| 15B. CONTRACTOR/OFFEROR _____ (Signature of person authorized to sign) | | 15C. DATE SIGNED | | 16B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer) | | 16C. DATE SIGNED 03-Jun-2005 | |

*List of Attendees at Vicksburg, MS and Hanover, NH,
Pre-Proposal Conferences
19 April 2005 and 21 April 2005*

Attendees of the PreProposal Conference/Site Visits
Public Private Competition
Of
Engineering, Research, and Development Center
Directorate of Public Works

19 April 2005, Vicksburg, MS Site

[illegible]

Attendees of the PreProposal Conference/Site Visits
Public Private Competition
Of
Engineering, Research, and Development Center
Directorate of Public Works

21 April 2005, Hanover, NH Site

[illegible]

PREPROPOSAL CONFERENCE/SITE VISIT

CONFERENCE HELD AT
US ARMY CORPS OF ENGINEERS
ENGINEERING, RESEARCH AND DEVELOPMENT CENTER
HALLS FERRY ROAD
VICKSBURG, MISSISSIPPI
TUESDAY, APRIL 19, 2005
BEGINNING AT 1:00 P.M.

PRESENTATORS:

DAVE R. HAULMAN, P.E.
Director of Public Works, ERDC

DR. JAMES J. RICH
Competitive Sourcing Contracting Officer

WILLIAM S. (STEVE) MEADOWS, JR., P.E.
PWS Team Leader/Chief, Engineering Division, DPW

CATHEY ROBERTSON
Senior Procurement Analyst

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OPENING BY DAVE R. HAULMAN

MR. HAULMAN: We'll go ahead and get started now. I just wanted to introduce myself at the beginning of this thing. I'm the Director of Public Works for the Engineer Research and Development Center. Some of you here are familiar with this, but bear with me. I just want to say a few things about the Engineer Research and Development Center. It consists of seven laboratories. Four of the laboratories are here in Vicksburg, one is in Champaign, Illinois, one is in Alexandria, Virginia, and one is in Hanover, New Hampshire. Facilities operations and maintenance is performed with government forces here in Vicksburg and in Hanover. So those are the only two sites affected. Of course, we're going to have an orientation here today and an orientation in Hanover again on Thursday.

Just a little bit of background information about the laboratories. We have the Environmental Laboratory here, the Coastal and Hydraulics Laboratory, Geotechnical and Structures Laboratory, and an Information Technology Laboratory at this site. And in Hanover it's the Cold Regions Research and Engineering Laboratory.

So the research that is performed is both for military and civil customers--very important research; a broad range--as you can tell from the titles--a broad range of research. So the facility operations and maintenance is very, very important to us. And hopefully at the end of the day today you'll have a much better understanding of what we do at the Vicksburg site and after Thursday what we do at the Hanover site. So that's it for me.

PRESENTATION BY DR. JAMES J. RICH

DR. RICH: What I am going to do now--my name is Jim Rich, and I'm going to move through the presentation, and I'm going to be talking specifically to issues about the solicitation for this competition. One thing I will say for this audience, I was born in Ft. Smith, Arkansas, and I'm not a Yankee, but I probably will not share that with the audience in Hanover.

SLIDE 1

USACE Engineer, Research and Development Center

Directorate of Public Works

PREPROPOSAL CONFERENCE/SITE VISIT

JAMES J. RICH, Ph.D.

Contracting Officer**USAED Baltimore****19 - 21 April 2005**

DR. RICH: Let's walk through this. We are going to reserve questions until the end, and I'll try to be pretty explicit as I walk through it, and we'll catch at least the high points for you. So this is the point in my presentation where I normally say "next slide," but on this, here we go.

SLIDE 2**ACQUISITION PROCESS**

- **Advertise in Army Single Face to Industry (ASFI) (15 days) - also known as FedBizOpps. Site contains information on project and process.**

<https://acquisition.army.mil/asfi/>

- **Issue Request for Proposals (RFP) which includes the Bid Schedule, Performance Work Statement (PWS), Special Clauses, FAR/DFARS Clauses, Technical Exhibits, and Evaluation Factors.**

<https://ebs.nab.usace.army.mil/AdvertisedSolicitaton.asp>

DR. RICH: First of all, as I'm sure everyone here already knows, everything that we do with respect to this competition will be put up on the web, and if there are amendments they will be posted on the web.

One thing I should caution you: the RFP in its final form, after all the amendments have been integrated into it that is the official--that is the official word, that's the official document. So

rumors, discussions, things that you hear, if it's not reflected in the RFP it's not going to be part of the solicitation, part of the evaluation.

The rest of this, we have web sites for the actual solicitation. We will be hanging this information from today, to include these slides, up on the web site also. Cathey, which site does that go on? Is that our site?

CATHEY ROBERTSON: Right, the EBS site.

DR. RICH: Okay.

SLIDE 3

ACQUISITION PROCESS

PROCESS

- **Tenders and offers submitted in response to the RFP will be evaluated for technical acceptability against the technical evaluation factors and significant subfactors stated in the solicitation.**
- **Contracting Officer ensures firewall between PWS and Most Efficient Organization (MEO) is developed and implemented.**

DR. RICH: I think this is pretty straight-forward information for you. One thing that you do need to know: Part of my job is to insure that firewall between the PWS and the MEO. And one thing that does need to be made clear--and I'm not sure who's in the audience; but the Contracting Officer works for the PWS, and my Procurement Analyst, Cathey Robertson, works for the PWS. So we don't answer questions about the MEO. Probably if we could answer your questions about the MEO, we wouldn't be doing our job.

There is a firewall there, and there's a firewall between those teams, and we take that--in the Corps of Engineers, we take procurement--and I, in particular, take procurement integrity extremely seriously. A lot of competitions have been derailed because that firewall was not properly maintained. I can assure you, that one is going to be up and tight in this case.

SLIDE 4

ACQUISITION PROCESS

- **Evaluation Factors**
 - **Technical**
 - **Management**
 - **Past Performance (MEO will not be rated on this factor)**
 - **Experience**
 - **Cost**

DR. RICH: Evaluation factors: These are the factors, the five factors, that we will evaluate, and I will go into these in a little more detail.

Past Performance: The MEO is not--and I will also cover this in more detail. There are certain factors that the MEO are not rated on. If this were not a small business set-aside, the MEO would not have to submit a small business utilization plan. It's because it's a small business set-aside it's a moot point. No one has to submit.

Experience, and then Cost. And I'll talk more about cost because there are really two aspects of cost. We use COMPARE in accordance with the Circular. But the other thing the Circular says is

that the Source Selection Board must also look at cost realism--price analysis and cost realism. So we will look at that in addition to COMPARE. What does that mean? Well, if you come in with a cost that's totally unrealistic, be it high or low--I guess that the high takes care of itself; but if it's totally unrealistically low, that's something that we need to catch before we just start plunking numbers into COMPARE and having it spit out.

CATHEY ROBERTSON: Can you say a little bit about what the MEO is.

DR. RICH: The Most Efficient Organization. That is the government's--that is the group that submits the proposal of the government. You want me to say any more about that? That's all I know about it. In other words, the MEO will submit the government's tender.

SLIDE 5

ACQUISITION PROCESS

- **Evaluation Factor Technical**
 - Factor will evaluate the prospective service providers' operations plan (management organization structure, lines of authority, spans of control, policies, and procedures), staffing, quality control plan, and phase-in plan.

SLIDE 6

ACQUISITION PROCESS

- **Evaluation Factor Management**
 - **Factor will evaluate the prospective service providers' organizational structure, corporate management structures, and organizational capabilities and the capabilities and qualifications of proposed key management personnel.**

DR. RICH: I'm not going to read these to you. I'm just going to go through then somewhat slow and give you an opportunity to read them. This is a description of the evaluation factors, and these factors are really--although the complexity is in the PWS, the factors are really pretty straight-forward.

MR. HAULMAN: Can you back up a second there?

MR. HAULMAN: This transition plan that you have there, I think that's the phase-in plan

MS. ROBERTSON: Yes, sir, I've already made a note.

DR. RICH: You mean rather than transition?

MR. HAULMAN: Yes.

DR. RICH: We will need to do both, but I understand--in relation to that factor, I understand what you're saying. And I think you'll also find that these factors are very similar to factors that you would find in many federal solicitations where they're doing Source Selection.

SLIDE 7

ACQUISITION PROCESS

- **Evaluation Factor - Past Performance -**
 - Per OMB A76 Circular, the MEO will not be rated on this factor.
 - Factor rates the overall satisfaction of performance on prior work of a similar nature to that sought in the requirement. It uses questionnaires supplied to third parties identified by the prospective service provider as references.

DR. RICH: There are two things that I want to point out here. First of all, the MEO will not be rated on past performance. They have no past performance as an organization. Other service providers will be--my understanding at the moment, unless it changes, is that the service provider will provide the projects or names or the past performance information, then we will be able to go out and solicit that from the individuals. And we'll talk about the mechanics of that. I will tell you though that in relation to past performance that if you have--someone submits negative past performance, the government has an obligation to go out to you, and you have an opportunity then to comment on that and provide additional information, if you choose to do so. So negative past performance, if it arises, is not handled in secrecy. It's made public to you and you have an opportunity to comment on it.

SLIDE 8

ACQUISITION PROCESS

- **Evaluation Factor - Experience**
 - **Factor will ask prospective service providers to demonstrate prior work on projects the size and scope which are similar to the size and scope of this competition.**

DR. RICH: Keep in mind the difference between past performance and experience. Experience is what have you done and past performance is how well you have done it. And these will be spelled out very clearly to the Source Selection Board in the Source Selection Plan.

SLIDE 9

ACQUISITION PROCESS

- **Evaluation Factor**
 - **Cost - Factor will be assessed for completeness, reasonableness, and realism. OMB mandated COMPARE software for A-76 competitions will be utilized for the decision.**

DR. RICH: I've already talked about this. I left out the word "completeness." The cost proposal has to be complete, and that's a matter of filling in the--contact line items. That shouldn't be a problem. It's looked at for reasonableness and realism, and then it's factored through COMPARE. Now I'm probably jumping ahead of myself

here. In fact, let me wait, because I want to talk about the sequencing of the evaluation process with respect to COMPARE. I believe it's on one of the next slides.

SLIDE 10

ACQUISITION PROCESS

- **Business Arrangements - Solicitation will be based on/include:**
 - **One Award based on Lowest Price, Technically Acceptable Offer**
 - **An Indefinite Delivery/Indefinite Quantity Task Orders**
 - **Hybrid Firm Fixed-Price/Time and Material**
 - **One year base period with four one-year option periods**

DR. RICH: Yeah. This is going to be a low priced technically acceptable offer. The contract itself is going to be an indefinite delivery and indefinite quantity contract, and we'll be issuing task orders. There is a portion of that contract that is fixed price, and that's that portion of work that's from the PWS we can determine is biddable as a fixed price--a unit of work. There is a portion of the contract that is currently contemplated as a time and materials portion. That is for the unknown: that work which comes in which was not contemplated and was not in the scope of the fixed price portion. That portion of work will be time and materials. And we'll go into this in some depth in the solicitation. We'll explain that

clearly. But the time and materials portion, that's where you're buying effort. You're not necessarily buying a deliverable. But you'll be buying effort, and you will have disciplines or labor rates or activities that are costed out, but they will be executed as that work arises or the body of that work arises.

The contract itself, if it's a contract or a Letter of Obligation, will be a base year period with four one-year options. I suspect most people looking at that say okay, that's a five-year term after taking it to contract.

SLIDE 11

ACQUISITION PROCESS

- **Business Arrangements - Solicitation will be based on/include: (Continued)**
 - **A statement identifying common costs**
 - **A separate CLIN for a phase-in plan**
 - **A requirement for prospective providers to include a Quality Control Plan in offers and tenders**

DR. RICH: We've got it right here, in fact. There will be a separate line item for a phase-in plan. There are two--and we tend to confuse these, so I suspect that's confusing to you. There's a phase-in plan and a transition plan. A phase-in plan has to do with how--what is your plan to get from zero to full performance period. We will tell you how long you have to do that. Obviously, that's going to be in relation with the complexity of the competition. If the provider says this is my plan, this is how I'm going to do it, well, it's going

to take you some period of time to get from day one to that full performance--it's in place and it's operating. That's the phase-in plan, and that's going to be a line item that you bid and contract. You have to do a QASP, a Quality Assurance Surveillance Plan. That's pretty well spelled out. I suspect most of you are familiar with the A-76 Circular itself.

By the way, if I'm missing something here, you know, if you think something is important--because this is supposed to be a real learning organization. We're trying to get information out here.

SLIDE 12

ACQUISITION PROCESS

- **Business Arrangements - Solicitation will be based on/include: (continued)**
 - **Agency Tender is not required to submit (per OMB A76 Circular):**
 - **A labor strike plan**
 - **Licensing or other certifications**
 - **Past performance**

DR. RICH: There are some things that the MEO and the Agency Tender--and that's the official title of what they submit--are not required to submit. Labor strike plan, licensing or other certifications. That will be defined. And past performance. Then, of course, the other one: were this a full and open competition they would not have to submit a small business utilization plan, a subcontracting plan. In this instance no one is going to have to submit that, because the solicitation itself will be a small business set-aside.

Let me say this, because I don't know what the arrangements will be from service providers; but if you are going to do a joint venture to execute this competition and the other individual in the joint venture is a small business, or if they're not, you want to be sure that you are in line and that you qualify as a small business for this, because there is the possibility that we would get what is referred to as a size standard protest. That means one of your colleagues who didn't get it will protest that you're not a small business or that your joint venture is not a small business. So make sure you know what you are and check with SBA. Probably you already know that.

SLIDE 13

ACQUISITION HIGHLIGHTS

- Read the RFP carefully. Everything is there.
- If we ask for it, provide it...IN DETAIL
- If you are unsure - contact the Procurement Analyst first.

cathey.robertson@nab02.usace.army.mil
(410-962-3788/410-925-6102)
- You will be held to due dates. Late material will not be evaluated.
- The only evaluation factors the SSEB will consider are those listed in the RFP. Believe it.
- You must respond to all evaluation factors

to be considered for the award.

DR. RICH: These are tips, but they're lessons learned, too. That bullet No. 2 we put in there because we have learned over the years that sometimes the government will ask for something and industry will say, gee, we didn't submit because we thought that was kind of silly. Well, it may be silly, but if we ask for it, provide it, because if you don't provide it there will be a penalty for not having provided it.

If you are unsure, the first person to call, when you're looking at the RFP if you've got questions, is the Procurement Analyst. The Procurement Analyst is Cathey Robertson, and she can give you her phone number. That's the first person that you should be talking to if you've got questions about solicitation.

That fifth bullet, you know, you hear a lot about how things are done, you know: it's who you know, and so forth, or what are they really looking at. Trust me, when we do source selection we pick high-performing people that are people of integrity. We put them in a room with the source selection plan and the proposals, and we tell them that's it. Nothing else comes in the room. So they are going to evaluate the proposal based on what you see in the RFP. Those are the factors.

Now that next to the last one, we probably should take that thing out, I just realized this. Because we're going to do a LPTA, the factors are going to be pass/fail. So you will have to pass or fail--you have to pass all the factors. Before we do the price analysis on a LPTA we go through and make sure that everyone is technically acceptable on all factors, and then they go into the price analysis, to include COMPARE. And you must respond to all evaluation factors. I

think that's obvious. So you're going to have to be technically acceptable on all five of the factors. And there may be subfactors in there that are reflected in the RFP, but those roll up under the general factors.

SLIDE 14

ACQUISITION SCHEDULE

| Action | Date |
|--------------------------------|-------------------------|
| Issue Solicitation | March 31, 2005 |
| Respond to Pre-Aware Inquiries | April 01-June 29, 2005 |
| Solicitation Closes | June 30, 2005 |
| Source Selection Process | July 05-August 18, 2005 |
| Performance Decision | August 19, 2005 |
| Award Contract or Issue Letter | November 15, 2005 |

of Obligation

DR. RICH: This is a schedule. I'm hoping this is the one, Cathey that we just updated.

CATHEY ROBERTSON: Yes.

DR. RICH: So there you have it. The performance decision is when the Source Selection Authority receives the report from the board and it's run through COMPARE, and they have the list of offers that are technically acceptable on all factors, and they have the price. And that is the price that has gone through COMPARE--so it has, you know, the multitude of additions and deletions and all the magic that goes on in there. So in that case it's a relatively easy decision for an SSA to make, provided-- that the Board Members did a good job on the technical acceptability. The performance decision is the date that the SSA signs the Standard Competition Form with the low-priced technically acceptable--the named low-priced technically

acceptable offer. And then there's--the awarded contract or issuance of the letter of obligation. That's that period of time from August to November. That has to do with in-house mechanics to approve--notification of Congress and so forth.

SLIDE 15

JAMES J. RICH, Ph.D.

410 962-2196

410=627-5753 (cell)

james.j.rich@usace.army.mil

DR. RICH: That's where you can get a hold of me, and I return phone calls and I return e-mails. I will say, though, having given you this, your first line of defense will be to call or contact Cathey. And I would caution you, if you are either an MEO member or you are a potential subcontractor to the MEO, I can't answer questions. I can answer questions about PWS, and I can answer questions about solicitation; but I can't answer questions specifically about the MEO or how something would specifically affect the MEO. So be a little careful with that one. Other than that, that concludes my presentation. Mr. Reid.

MR. REID: I was going to ask the question: It's important to mention to the private sector that the private sector cost has to beat the MEO or the Agency Tender cost by 10 percent or \$10 million, whichever is less?

DR. RICH: It's whatever is in the Circular. This dollar threshold, is it the 10 percent or 10 million?

[SEVERAL TALKING]

DR. RICH: It will all be capped. I mean, that's all going to be reflected in the RFP. There's nothing unique about this competition in that it's going to be fully in compliance with the Circular. So there are no waivers or any unique features that would blind side you on this.

PRESENTATION BY WILLIAM S. MEADOWS

Good afternoon. My name is Steve Meadows. I'm the Chief of Engineering Division here at Directorate of Public Works for the U.S. Army Engineer, Research and Development Center. I'm also the guy--good, bad, indifferent--that's responsible for the content of the PWS, the PWS team leader.

Before we get started on our tour, I wanted to talk to you a little bit about what we're going to see. We're going to take a ride around the station and let you kind of look at our facilities from the exterior. We're going to go into some of the facilities that are kind of representative of different parts of our station.

In those areas you're going to meet some of our researchers, some of our customers. These people are not familiar at all with the PWS or the contents of the PWS. So while you're there I would appreciate it if you don't ask any questions about the PWS or its contents, mainly, because as DPW we do two functions here: We have an Operation and Maintenance (O&M) function in which we maintain facilities in the station; we also have a function in which we provide direct research support. And the line between that for some of these researchers is blurred. So if you ask them a question, the information you're apt to get back would probably not be 100% accurate. In that case, I want you to save all your questions for when we come back in here.

One thing you're going to do is you're going to get to go see what we call model shelters. Model shelters are the big open-air buildings around here that you will find that we have all the models in, and you'll see our models. I think we've got one up and running, that you will be able to see the kind of research we do inside these facilities.

The other area we'll go into will be one of our test areas, which are the Geotechnical and Structural Laboratory. It's pretty representative of the buildings that they have and that they do their work in.

And then finally we will visit the Environmental Laboratory Hazardous Waste Research Center, which is a typical chemistry lab, which we have several of around here.

Other than that, that's about all I have before we go start our tour. So once we get back, then we'll come back in and myself or Cathey, whichever one is appropriate, will try to do our best to answer whatever questions you have about the PWS.

[TOUR FROM 1:35 TO 3:30 PM]

FURTHER BY MR. MEADOWS WITH QUESTION-AND-ANSWER PERIOD

MR. MEADOWS: We'll go back over some of the things that I mentioned out in the labs. You got to see and meet several of our researchers here, and like I was telling you before we went out, there are a lot of times that they don't realize the distinction between the different jobs we do within DPW. The DPW has two different missions.

The first mission is our O&M mission in which we maintain the facilities. That is--you know, we do that with our carpenters, our plumbers, our electricians. We maintain facilities; we maintain utilities.

We also have a section within DPW where we do direct research support. We do fabrication. We have a machine shop that has all kinds of computerized machinery capabilities. We have a model shop that builds those intricate models of the gates and the turbulence and those things that you saw. We have a model construction group that when you were looking at the hydraulic models and saw the tin forms that they cut out to build those models, they actually--the model shop will make those. The construction group goes in and lays them out and comes in and grouts them and forms those reefs in those areas that the researchers are doing--physically model them.

Those areas that are in direct research support, the fabricating end, are not under the scope of this action. What is under the scope, again, is our facilities operation maintenance. Like I said: the carpenter support, plumbing support, and the electrical support.

At that point, that said, I can't think of anything. I think that covers pretty much--oh, just a couple of other things that I said out there that I want to make sure we talk about. Is that you will find--one of the questions was asked about the number of transformers and things like that that are part of the technical exhibits. You will find a list of our facilities, you'll find site maps, you'll find a list of our buildings and their square footage, you will find a government furnished equipment list, you will find--they have everything from accountable property to what we call non-accountable, from hand tools, various typical hand tools, to the larger rolling stocks that we saw at the end of our tour. You also have a whole lot of items on there like checklists and things that refer back to portions of the PWS. Part of the PWS also contains a section of points we talked about--who maintains the equipment, and who replaces it, et cetera, et cetera. All of that is addressed within the PWS.

And I guess with that we'll open the floor to questions. I'll be glad to try to answer any of your questions on the technical portions of the PWS. I may not have all the answers and I may have to tell you I'll have to get back with you, but I'll do my best to answer all the technical questions. Then if we have any contracting related questions I'm going to just get Cathey to deal with those.

CATHEY ROBERTSON: Just to let everyone know, we will post a list of the attendees on the web site. We'll post Dr. Rich's slides. Kay is doing the transcript of what we've talked about. So the questions and answers and everything that we've said in here inside of this room, will be posted on the web site too. And any questions that we can answer or that we do answer here--the official response will be up on the web site. So we might go back through--once we have a chance to think about the answers that we've given you, we might go back through and revise it a little bit; but we will post that up for you also.

MR. MEADOWS: One thing I want to also make sure that you understood is that we are--DPW itself is a service organization. Our customers themselves have customers that have deadlines. That's one of the main things that-- priorities are very important. Emergency response is very important to us. These are all things that we have facilities to deal with so that they can perform their mission. Our mission is to make sure that they have what they need to perform theirs, and that's very important to DPW. So at this time, are there any questions?

JERRY BALLARD: My name is Jerry Ballard. I'm a consultant. One of the things that I do for my clients is that I advise them whether or not they should bid on a specific project. And I've done 45 A-76 provisions. Normally you win about 10 per cent of them, and generally you can get a feel as to whether or not the government is really interested in doing what it says it's going to do--sometimes it's a Congressional mandate. We spent \$3.5 million on proving grounds to dig a dry well. The question that bothers me here is you've got a DPW that's supported by work control, supply purchasing, resource management, whatever, that comes from the compound itself. And then you have the electrical, plumbing, painting, carpentry. What you're going to do under this procurement at the site, are you going to cull out a portion of this?

MS. ROBERTSON: That is correct.

MR. BALLARD: And then what's going to happen is, is that the contractor is going to have to duplicate the overhead structure that you already have to support it. That's a fact.

MS. ROBERTSON: Well, a lot is going to depend on how the contractor is going to bid it when he comes in.

MR. BALLARD: You're going to have to have a site map.

MS. ROBERTSON: Yes. That is a part of the PWS.

MR. BALLARD: What I'm saying is, is that the contractor is going to have to bid an overhead structure that replicates what the government already has in place; then you have to beat the government by 10%. And another thing, beat the government by 20% in order to---

MS. ROBERTSON: Well, the Circular says 10%.

MR. BALLARD: Trust me, it comes out to be twenty. You know it is. So what I'm saying is that, is there a--am I correct in saying that this is a part of the DPW exercising not all of it?

MS. ROBERTSON: That is correct. It's just for the O&M Operation, the shop function, is all that this covers.

SHELLY TAYLOR: And it also covers this location as well as the Hanover location.

LARRY DAPO: All of the employees that are currently in the positions now, are you guys going to want to transfer them over or are they going to stay with the government?

MS. ROBERTSON: The employees will have a right of first refusal. So you would offer them the jobs first. If they choose not to want to come to work for a contractor, or the service provider is what we're calling it now, then that's their choice. But they would be given the opportunity first.

MR. DAPO: How many of them is there that—if you have to have them. You know, you've got five guys down there that's been there for 10, 15, 20 years that--these guys have got to stay because they know this place like the back of their hand.

DR. RICH: I don't think you can answer.

MS. ROBERTSON: No.

MR. DAPO: What I'm saying though is does that exist, that you guys would hate to lose some of these people down there?

MR. MEADOWS: Well, you have an institutional knowledge that exists everywhere. I mean, I've been here 15 years. There's a certain amount of institutional knowledge I have. Some of these guys have been here 25 or 30 years. You have people with a lot of institutional knowledge.

MR. DAPO: You'd like to see them stay on to continue working?

MR. MEADOWS: That I can't say

[SEVERAL TALKING]

MR. CURNUTTE: My question is geared more toward the shop facility. Since we just came out of that area, that's pretty high on my mind. Those work sites with inside equipment and those conditions, those work spaces, those, at least in my opinion, need quite a facelift and an overall sprucing up more than just to get a broom. These things need to be kind of renovated overall, and a good piece of that equipment looks like it might to kind of on the line. Would that be--all of that internally of fixing up those spaces that we inherit and bringing those up or cleaning those up and giving these things kind of an overall renovation, this is all contractor responsibility on that; is that correct?

MR. MEADOWS: Let me--that's one I'm going to want to put that one off and provide that in writing. I need to go back into the PWS to see what is exactly spelled out. I don't want to just venture off into that area from memory. **ANSWERED FURTHER ON PAGE 31 OF THESE TRANSCRIPTS.**

MS. DUFFY: Is there a particular time when there's a cutoff for questions about the solicitation?

MS. ROBERTSON: No.

MS. DUFFY: Anytime up to the closing.

MS. ROBERTSON: Anytime--the question was: Is there a time for cutoff for questions on the solicitation. We would certainly like to have them earlier than later. We have not put a cutoff time in there. If we get questions in that's going to--something that might change the contractor's proposal as far as pricing, we would have to look at extending out the time frame--something along those lines. But we would prefer to have the questions in--I forget what the date is. What's the due date for the solicitation? 30 June. So I would say if we could get the questions in by the first of June would be best.

MS. DUFFY: Is the Agency Tender--the Agency Tender is submitted through COMPARE. Are they also required to submit the bidding schedule?

MS. ROBERTSON: Yes. We will put that in the RFP. Yes they are. We'll need this for cost realism and the price analysis.

UNIDENTIFIED: The contractor is not required to submit anything in COMPARE form?

MS. ROBERTSON: That is correct.

MR. REID: The potential service provider.

MS. DUFFY: Is it a Davis Bacon wage rate bid?

MS. ROBERTSON: No. This is not Davis Bacon. It's all service contract, and the bid schedule shows--I know that it's got Davis Bacon in there, but we going to correct and take that out. My legal advisors have said that this is all Service Contract Act.

MR. REID: If you get into a situation where you have minor construction that exceeds the limits that are established in Davis Bacon, do you have to pay them Davis Bacon?

MS. ROBERTSON: No. This project is totally service contract; it is not construction.

MS. DUFFY: It's relevant of the work required or the discipline.

MS. ROBERTSON: Anything else? Any other questions? If you have more questions, you can certainly submit them in through the web site, or everybody's got my e-mail, I know, because it's up on the web site, and you can submit questions in through there.

MR. DURMAN: The changes at this station, it talks about all service contracts. Would there be an amendment that would come out to notify about this?

MS. ROBERTSON: I am working on an amendment right now. We wanted to wait and see if anything came out of this that we would need to go back in and change. But only the Service Contract Act wage rates are in there. There are no Davis Bacon wage rates in the contract.

SUBSEQUENT TO THE PRE-PROPOSAL CONFERENCE, THE DECISION WAS MADE THAT SERVICE CONTRACT ACT AND DAVIS BACON ACT, BOTH, WOULD APPLY TO THIS COMPETITION (SEE AMENDMENT 0001, DATED 12 MAY 2005).

MR.

MEADOWS: Any other questions? If there are no more questions, then I guess this concludes our site

tour here at Vicksburg. We appreciate everybody for coming out and walking around with us. Like I said, we will be posting the answers to these questions, especially the ones we didn't provide, in a written format, and if you have any additional questions--Cathey, do you want them just to submit them back?

MS. ROBERTSON: Yes.

MR. MEADOWS: Back to Cathey in the Baltimore Contracting Office, and she will give it to me, and we will get answers provided for you.

MS. DUFFY: Do you have an idea of when the amendment is coming out?

MS. ROBERTSON: I would say probably about three weeks. If I can get it out sooner, I will; but I'm in a travel status for the next two weeks. We might have to extend the proposal due date because of that.

MR. CURNUTTE: Do the facilities have an intent on anywhere in the future of upgrading their--bettering those work places? Maybe that's better the question to leave on the table, I guess. Like the air-conditioning, you know, I guess they've been working there for years so they're probably use to it.

MR. MEADOWS: There are some issues with that facility. We are aware of it. There's not any definite plan right now for including like air-conditioning that facility. There are a few things we have been doing, some improvements. I know we're looking at replacing the boiler in that facility because of its age. We do realize there are some issues with the cooling, and those have been looked at. I don't know of any immediate plans in the real near future to do it, but it has been discussed. Anything else?

--CONFERENCE CONCLUDED AT 3:50 P.M.--

CERTIFICATE OF COURT REPORTER

I, Kay E. Miles, Certified Court Reporter and Notary Public in and for the State of Mississippi, hereby certify:

That on the 19th day of April 2005 the above and foregoing conference was taken by me in shorthand and by tape recording, and thereafter transcribed by me, and that to the best of my skill and ability the foregoing 31 pages contain a true and correct transcript of the proceedings;

Further, this Certificate applies only to the copy downloaded in an e-mail sent this date to cathey.robertson@nab02.usace.army.mil

I assume no responsibility for the accuracy of any reproduced copies or further e-mails.

So certified this the 12th day of May 2005.

Kay E. Miles
MCSR No. 1246

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Telephone: 601-892-2290 E-mail: kemiles2290@bellsouth.net*

0001

1 USACE ENGINEER, RESEARCH
2 AND DEVELOPMENT CENTER,
3 DIRECTORATE OF PUBLIC WORKS
4
5
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7 * * * * *

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RE: PREPROPOSAL *

9 CONFERENCE/SITE VISIT *

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16

17 Thursday, April 21, 2005

18 72 Lyme Road

19 U.S. Army Corps of Engineers

20 Hanover, New Hampshire

21

22

23 ----- Lynda C. Vetter, CCR, RPR -----

24

0002

1 MR. MEADOWS: I guess we are going to get
2 started. First of all, cell phones. Anybody that
3 has a cell phone, I need you to turn them off. The
4 audio system is going to pick them up. I don't think
5 Blackberries are a problem, but cell phones are.

6 My name is Steve Meadows. I'm the
7 chief of the Engineering Division, Director of Public
8 Works, U.S. Army. I welcome all of you to the
9 Hanover site, home of the Cold Regions Research and
10 Engineering Laboratory. Just to give you a small
11 idea of what we are going to do today: We will have
12 a short presentation in the auditorium here.
13 Dr. Rich is one of our contracting officers and has a
14 small presentation. After that, we will go out and
15 visit some of the areas here at CRREL and let you see
16 some of our unique facilities we have here and some
17 of the equipment that serves those facilities. Then
18 we will come back here for a question-and-answer
19 period.

20 I want you to hold all your questions.
21 If you see something, have any questions about DWS or
22 about any of the content-type stuff, we will reserve
23 those questions for the time when we come back. We
24 will make sure everybody has the benefit of being
1 able to hear those questions and answers.

2 You will meet some of our researchers.

3 Most of those people usually will not have the
4 knowledge of content. This is another reason we want
5 to reserve our questions for here. That way, we can
6 make sure the answers that we give are accurate and
7 that you have a good understanding of what is
8 actually here. Feel free to ask them any questions
9 about the research they do. We do a lot of unique
10 things here at CRREL, and I think you will find it
11 very interesting. At this time I will turn the
12 program over to Dr. Rich, the contracting officer.
13

SLIDE 1: DR. RICH: Can you all hear me?
14 My comments this morning are going to be limited to the
15 actual solicitation associated with the competition.
16 There will be a review of the solicitation as well as
17 the PWS. This is a work in progress. What I would
18 like to do today is try to get the highlights of some
19 things that might be helpful. If you have questions
20 on that, if you would reserve them and we will
21 address those at the end of the day.

22 I will also tell you that what we
23 attempt to do in the process is to capture all of the
24 information, all the questions and get those
1 questions and answers back out to the industry. But
2 I will also caution you that, notwithstanding what
3 you hear today, anything that you hear, conflicts
4 with that final RFP, the final solicitation, that's a
5 government document. I think you understand that.
6 But I do want to make that clear. We strive to be
7 accurate, but the final document is the final word on
8 that.

9 SLIDE 2: With that, there are two websites
10 that are listed. By the way, this presentation will
11 be put out on the Web site so you will have access to
12 it. We are going to advertise -- these are the
13 sites. We will have all the materials for you that
14 you can download, including instructions. Now, one
15 thing I want to note: The tenders and offers that
16 are submitted, the vocabulary is a little more robust
17 than the typical vocabulary. So you have tenders and
18 offers. We will try to keep that straight.
19

SLIDE 3: In any case, the key here on this
20 first bullet: There are going to be on your offers:
21 You will be evaluated by a Source Selection Board for
22 technical acceptability. That's a low price
23 technical acceptable process. You will need to be
24 found technically acceptable on each factor and
1 subcategory. I will get into that in a little more
2 detail.

3 Secondly, my role in this: I am a
4 member of the PWS and my role is to ensure the
5 firewall between the PWS and the MEO. So we have
6 attempted to structure to the very best of our
7 ability the firewalls so there is no migration of
8 information that certainly has improper
9 communication between those two teams.

10

SLIDE 4: These are the evaluation factors.
These will not change. We have these locked down.
We will talk about some of the differences that you
will see in the solicitation. Those differences are
that in which an offer, private sector offer is made,
there will be certain distinctions made between that
which they will be evaluated on and that which the
MEO will be evaluated on. I will walk through that
with you.

SLIDES 5 AND 6: I'm not going to read you.
these to you. You can read them. This is an explanation
of the factors.

One thing that unlike the best value
source selection where the factors are weighted,
there is no weighting because this is a low price
technically acceptable. So you must be found
acceptable on each factor. There are not varying
degrees of acceptability. This is pass-fail. You
are acceptable or you are not. We will talk about
that in a minute.

SLIDE 7: Now, we mentioned on past performance,
the MEO is not rated on past performance. That is
because the MEO is not an entity that has a record of
past performance. This is a small business set
aside. If it were not; if it were a full and open
competition, the MEO would not have to submit a small
business utilization subcontract plan nor would they
be evaluated on past performance of small business.
Because it's a small business Web site, no one is
going to have to submit a plan.

On past performance here also, we are
going to solicit information on past performance.
Part of that information will be names that you
provide us. It's important to understand that in
this process, any negative information that is
provided to us on past performance, an offeror will
have an opportunity to discuss and rebut. It's not
as if you will be penalized. Negative information on
past performance will be called to your attention.
You will have an opportunity to explain.

SLIDE 8: Now, given the fact
the most part, you will be giving us the names of
people, we will allow you to ask questions. You
shouldn't be surprised. Understand the difference
between past performance and experience. Your
experience is what have you done and past
performance is how well you did.

SLIDE 9: We talked just a little bit about
cost. Because there is more than just COMPARE; we follow
the A76 Circular strictly. That's a very
prescriptive process. We talk about how cost will be
analyzed. Once you are found to be technically

15 acceptable on all of the factors and subfactors, we
16 will then do price analysis and cost realism and
17 reasonableness.

18 Let me explain. We do a cost
19 reasonableness analysis because we want to look at
20 your offer and say: Does it make sense? If it's
21 unreasonably high, that would kick itself out. But
22 if it's unreasonably low, that's something we need to
23 look at and evaluate. It is also then for those
24 offers that are found to be technically acceptable,
1 at that point their offer is plugged into COMPARE.
2 And whatever magic the number comes out; at the end
3 at that point, then the full-price,
4 technically-acceptable offer will be determined.
5 There is a lot of mechanics going on there, offset
6 differential between MEO and the private sector.
7 That all happens at the end of the process.

8 SLIDE 10: These are the business arrangements.
9 There is going to be an IDIQ contract. A task force
10 will be issued for scopes of work, the scopes of work
11 to be determined. We will have a schedule, but I
12 will talk a little bit more about why some of those
13 scopes of work you will not want to know specifically
14 at the time of the issuance of the solicitation.
15 There are bodies of work at both locations that we
16 believe, based on the PWS, we have enough information
17 or offer to price at a firm, fixed price. That body
18 of work is issued against the contract. Now this
19 assumes other than the MEO.

20 Time and material: There is going to
21 be some portion of work, whether it's a surge
22 requirement, unknown, things will just drop out of
23 the sky that you could not have contemplated at the
24 time. Those task orders will be handled under a
1 time-and-materials portion of the contract. That's a
2 pretty straightforward process. You will have
3 discipline rates, labor rates. Whatever that is,
4 those will be priced out. But that's how we are
5 going to handle the unknowns.

6 Now, that's going to be true at both
7 locations. There may be some differences, more unknowns
8 at one location or the other. It is not a five-year
9 contract. It is a base contract of one year with
10 four option years. So actually 90 days out, nine
11 months into, we will be issuing the option for year
12 two, year three, year four, year five.

14 SLIDE 11: I think these are pretty
14 straightforward. I do want to note on the second
15 bullet here, there is a requirement in the circular
16 for a contract line item for the phase-in plan. The
17 phase-in plan is that period between the time you
18 would be awarded the contract and you are able to
19 implement the first full performance period. Just
20 keep that in mind. Let's assume that's six months,
21 really six months plus base year plus the option.

22 The full performance period, that
23 phase-in plan is how long does it take you to get
24 from zero to the way you want to do business? So
1 whether it's an MEO, whatever, service provider, they
2 will have a plan to implement. They will not get
3 there in one day. So how long does that take? We
4 will specify the amount of time and that amount of
5 time will be listed on the contract line item.

6 For example, six months -- you will
7 have six months to go from zero to full performance.
8 When you get to that, that would be your first
9 full-performance year. Why is that important?
10 Because on your first full-performance year, you will
11 be evaluated against -- you will have to do what you
12 said you were going to do. The level of effort, the
13 cost and schedule at that point becomes -- you will
14 be evaluated on that. That includes the MEO as well.

15 SLIDE 12: These are some of the things
16 that the MEO did not have to make available in the
17 private sector, service provider unit. Once again,
18 small business in this case is not an issue.

19 SLIDE 13: Some of these are lessons learned
20 from years of doing source selection. If we ask for
21 something, we want it. You may think it's irrelevant
22 or you may think it's silly. You may say: I can't
23 believe those people are asking for that.
24 Notwithstanding if we ask for it, we want it. If
1 it's not there, there will be a penalty. So I
2 caution you on that. I have had problems over the
3 years with people who said: Gees, we couldn't
4 understand the sense. I mean, we are the government.
5 What can I say?

6 If you have questions about the
7 solicitation and the process, please, this is
8 Ms. Robertson (indicating). Please contact her first
9 about questions about the solicitation process. That
10 is not to say that you can't talk to other people.
11 But I would strongly encourage you to -- you will
12 save yourself a lot of time and effort getting to the
13 one right answer because Cathey is working with the
14 customer. She will get together with the customer,
15 Ms. Taylor, attorney advisor, contracting officer and
16 others and will get you the right answer and the
17 right answer the first time.

18 You will be held to the due date. This
19 is like any other acquisition process. You can't be
20 late. If you are late, you can be excluded from the
21 competition.

22 That penultimate bullet up there: In
23 any source selection process, there is always a
24 question in some people's minds: What do they really
1 look at? Is it staffed this way or that way? Folks,
2 this is very straightforward. Those of us in the
3 procurement business get pulled into this. We don't
4 treat it any differently than any other source

5 selection. The only agenda is source selection plan
6 and the offer is put in front of them. That's all
7 they evaluate. It will go from the source selection
8 evaluation to the source selection authority. The
9 source selection authority will confirm that we did
10 what we said we were going to do and in accordance
11 with the source selection plan. After that, it's
12 numbers. Acceptable offer.

13 Once again, if you have any questions
14 about the factors or any other part of the process,
15 solicitation process, please don't hesitate to call
16 Ms. Robertson, send her an e-mail. It's up there.
17 We will get back to you. We are pretty good about
18 that.

19 SLIDE 14: This is the schedule. It was
20 current as of the day before yesterday. I don't think
21 anything has changed. To the best of my knowledge,
22 we are going to adhere to this. That's it.

23 SLIDE 15: Once again, this will be out on
24 the website so you will have access to it. You can
1 also call or contact me. I will ask you to please go
2 through Cathey first because if you come to me first,
3 I will have to go back to her. You are saving time.

4 However, if you need -- if you have a
5 question, you say: I need to talk to the contracting
6 officer, I would be more than happy to respond to
7 questions. We try to make sure that programmatically
8 we do not give out conflicting information. We are
9 small enough and close enough she should be able to
10 speak with you. I'm trying to help people understand
11 the process and encourage competition. That is the
12 end of my presentation. I didn't memorize Steve's
13 part. He is going to talk to us about the tour.

14 MR. MEADOWS: Right now we will -- this
15 is the Chief of the Engineering Resources Branch here
16 (indicating). He was nice enough to help us out,
17 tour the facility. One of the first things will be
18 the cold rooms in the main lab. From there, we will
19 be moving down to the mechanical areas that support
20 those rooms and the HVAC system. From there we will
21 move on to the Ice Engineering facility, meet another
22 researcher there. He will talk to you about our cold
23 rooms over there, the ammonia-based circulation that
24 serves those facilities.

1 Then we will get on the bus and move
2 down the hill and see some of the facilities down the
3 road, what we call the Frost Effects Research
4 Facility and some of the equipment down there and
5 then down into our TEC treatment plant. After that
6 we will be coming back up here. At this time I
7 guess -- Cathey, can they take pictures? Probably
8 not. I guess at this time if you want to, we will
9 take a short break and reconvene three or four
10 minutes. Then we will start from there.

11 No questions and answers when attendees reconvened.
12
13
14
15
16

1 C E R T I F I C A T E
2 I, Lynda C. Vetter, a Registered
3 Professional Reporter of the State of Massachusetts,
4 do hereby certify that the foregoing is a true and
5 accurate transcript of my stenographic notes of the
6 above-referenced proceeding, taken at the place and
7 on the date hereinbefore set forth.
8 I further certify that I am neither attorney
9 nor counsel for, nor related to or employed by any of
10 the parties to the action in which this deposition
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